

City of Lynn, Massachusetts

Lynn City Council

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Wayne A. Lozzi

Councilor Ward One

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Personnel
Public Safety & Public Health
Public Works

October 14, 2014

The Honorable Janet L. Sanders
c/o Antitrust Division
Office of the Attorney General
One Ashburton Place
Boston, MA 02108

**Re: Comments on the Proposed Final Judgment in Massachusetts v. Partners
Healthcare System, Inc. et al., Civ. No. 14-2033 (BLS)**

Dear Judge Sanders:

Please accept my comments concerning the Consent Judgment for MA Superior Court Civil Action # 14-2033 (Commonwealth v. Partners Health Care System et al.). I am the duly elected Ward One City Councilor in the City of Lynn, Massachusetts. I am also President of Community United for Union Hospital, an organization dedicated to keeping North Shore Medical Center/Union Hospital in Lynn as a full service medical facility. Union Hospital is located in Ward One section of Lynn and presently provides medical services to the majority of my constituents. As such, the following comments are provided in my capacity as City Councilor.

The City of Lynn is the ninth largest municipality in the Commonwealth with a population of more than 90,000. Union Hospital is presently the only full service medical facility in Lynn. As part of their most recent mergers and acquisitions, Partners Health Care has expressed intent to close the only full service medical facility in the city and to operate a mental health facility at the present site.

The fate of Union Hospital is directly linked to Partners' acquisition of Hallmark Health Corporation. If the Consent Judgment is allowed and Partners acquires Hallmark Health's facilities in Medford, Melrose and Stoneham, Partners' plans to remove all acute care inpatient beds at Union Hospital and repurpose the hospital as a free-standing Mental Health/Behavioral Health facility. It is unfathomable that Lynn would be the only municipality of its size void of a full service medical facility. I am not aware of any other municipality with a population of greater than 60,000 residents that does not house a full service medical facility.

Transitioning Union Hospital to a mental health facility would endanger the lives of the citizens of the City of Lynn. It is estimated that it will be an additional 10 to 15 minutes travel time to the next closest full service medical facility in Salem, Massachusetts. In situations where time is of the essence

with regards to the provision of medical care, such additional travel time is unacceptable. The removal of the acute care beds will leave the NSMC Patient Service Area (as described on p. 8 of the 2012 NSMC Community Health Assessment) with an acute care inpatient bed rate of 1.6 beds/1000 people. This would mean that the Lynn area would be 50 percent below the amount of acute care inpatient beds that is the state average and more than 60 percent below the national average. (MA Health Care Innovation Plan-September 2012, p. 12) As an urban inner city, Lynn has a disproportionate number of poor, elderly and immigrant populations as compared to other surrounding communities, who often do not have sufficient or any health insurance for one reason or another. Regardless of coverage status, these individuals do require access to health care. Without a full service acute care facility in close proximity to their homes, the most vulnerable residents of our society will have their health, safety and lives endangered.

This effort that denies the residents of the Lynn regional access to essential health care services should not be rewarded by granting Partners a greater market share and greater leverage in that market. This Consent Agreement fails to address the legitimate issues that are raised in the original Complaint filed by the Attorney General. I have also been informed that Lahey Hospital approached Partners about the possibility of purchasing Union Hospital with the intent of preserving it as a full service health care facility. Partners however rejected this proposal by stating it had no intent of selling to a competitor. The refusal to make reasonable accommodations to ensure that Lynn residents have timely access to medical care clearly demonstrates Partners' complete disregard for its patients and the residents of Lynn. Rather, Partners' actions with respect to the proposed merger and refusal to sell Union Hospital shows that its sole motivation is to increase its market share and profits.

The Attorney General's Office and Massachusetts health care regulators have recognized that Eastern Massachusetts is a competitively unhealthy hospital market dominated by Partners. In particular, Partners market power is demonstrated by its ability to maintain substantially higher prices than other hospital systems for comparable services, and by the fact that the higher prices are not justified based on higher quality. The complaint alleges these two acquisitions will make matters worse: they are anticompetitive, will raise prices, and violate the antitrust laws.

A settlement may be rejected when it is inconsistent with the public interest where: (a) there is no reasonable basis to believe that the remedy will adequately resolve the competitive harms alleged in the complaint; and (b) the settlement will be difficult to implement because it involves excessive judicial oversight. Indeed, the two grounds are related: in significant part, it is because courts are ill equipped to act as economic regulators that the settlement is unlikely to achieve its aims.

It is evident that the acquisitions of South Shore and Hallmark will further cement Partners already substantial market power in Eastern Massachusetts. In a best-case scenario, the proposed remedies act as a porous stopgap to constrain Partners from raising its already supra-competitive prices. To ensure even that limited outcome, the Attorney General and the courts will have to become vigilant health care price regulators, a task for which neither is well suited, even with the assistance of a monitor. Accordingly, the court should reject the proposed settlement as not in the public interest.

Lynn residents will not have a full service medical facility should this Court approve the Consent decree. To make matters worse, Lynn residents will be required to travel to Salem, Medford, Melrose or Stoneham to receive acute care. Ironically, all of these facilities on the North Shore are owned by Partners. As such, Lynn residents will remain obligated to pay Partners higher prices at a facility far from their homes. This is precisely what Partners is seeking to accomplish – to wit, maintain high health care costs and minimize competition in the Greater Lynn area. Not only will Lynn residents continue to pay higher health care costs, they will be required to travel far greater distances for the privilege of being treated at another Partners' facility. The economic burden on Lynn residents should be grounds to deny the consent decree by itself. However, in the case of Lynn, Partners' plans threaten the safety and lives of residents within the City. Accordingly, I respectfully request that the Court deny the Consent decree at this time.

Thank you for your attention to this serious matter.

Very truly yours,

A handwritten signature in black ink, reading "Wayne A. Lozzi". The signature is written in a cursive, flowing style with a large, prominent "W" and "L".

Wayne A. Lozzi
Councilor, Ward One
335 Den Quarry Road
Lynn, Massachusetts 01904